

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: COMMISSION INITIATED REVIEW :
OF THE NARRAGANSETT ELECTRIC COMPANY : DOCKET NO. 5188
d/b/a NATIONAL GRID STORM CONTINGENCY :
FUND :**

**DIVISION OF PUBLIC UTILITIES AND CARRIERS' CORRECTED RESPONSE TO
THE PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS**

**(Issued November 24, 2021)
(Due on or before December 22, 2021)**

REQUEST:

- 1-1. In Docket No. 5127, as part of its response to Record Request 1, National Grid noted that “the CTC account balance has been and will likely continue to be in a credit position” which was consistent with Ms. Hammer’s testimony that “between the Hydro Quebec revenues and the DOE proceeds there's no expectation that the contract termination charge would turn positive any time in the near future.” (Hr’g Tr. at 66 March 26, 2021). In the discussion prior to the vote to continue certain funding mechanisms to the Storm Contingency Fund (Docket No. 4686), the Chairman raised a suggestion that redirecting CTC credits from the transition credit on the bill to the Storm Fund may be one possible solution.
- a. Please comment on National Grid’s comments filed on November 12, 2021 in response to PUC 1-2 directed to the Company.
 - b. Please provide comment on this possible solution.
 - c. Please provide any comments the Division wishes to add at this time on additional solutions/pathways for PUC consideration to address the current \$169.5M deficit.

RESPONSE:

- a. After review of National Grid’s response to PUC 1-2 directed to the Company, the Division does not disagree with the Company’s representation that the CTC credits could be redirected to the storm fund. The Division also did not find specific language directing how specifically the credits should be returned to the Company’s retail customers. The Division agrees that any such redirection would require a change to the retail tariff with respect to the language regarding the Non-Bypassable Transition Charge Adjustment Provision. The Division would not recommend the elimination of the Provision.
- b. The Division is not opposed to redirecting CTC credits to the storm fund but does not view this as a complete solution. Given the size of the deficit , the redirection of CTC credits alone will not be enough to address the deficit. In addition, given the potential that the CTC charge may not always result in credits, this may not be a consistent source of funding.

- c. Due to the size of the storm fund deficit, the Division believes the best long term solution is to increase the funding through an adjustment to the storm fund replenishment factor (SFRF). The SFRF is currently set at \$0.00288/kWh and collects approximately \$21 million annually. The Division is currently reviewing the impacts of increasing the SFRF on the storm fund and rates, however we do not have a final recommendation at this time.

Response Prepared by John Bell